

Finance Committee Meeting

June 10, 2020 6:00 PM EST
Zoom Remote Meeting Platform
Millis, MA 02054

In Attendance:

Jodie Garzon, Chairman
Peter Berube, Vice Chairman
Doug Riley, Clerk
Jim Borgman
Cathy MacInnes
Craig Schultze
Michael Guzinski, Town Administrator
Carol Johnston, Town Finance Director
Nate Maltinsky, Community Preservation Committee, Chairman
James McKay, DPW Director
Erin Underhill, Town Moderator

Jodie Garzon called the Finance Committee Meeting to order at 6:04 PM.

Community Preservation Act Articles Review and Discussion:

Nate Maltinsky reviewed the Community Preservation Committee's approval of Article #14, Memorial Fields Improvements Project, funded by Community Preservation Open Space/Recreation Resources Reserve Fund in the amount of \$74,558.49. The committee met via Zoom on May 14, 2020 and voted unanimously in favor of the project. The proposal for the project was submitted by the Millis Girls Softball League and Millis Youth Baseball League. Michael Rand presented the proposal which includes rebuilding the surfaces of (3) fields, replacing backstops, dugout fences and perimeter fencing. The Planning Board contributed \$25,000.00 in available funds for the project. The committee felt the project was well worth funding; the fields are currently a safety hazard. Jim McKay worked with Michael Rand in planning the project. The project will take place this summer. Jim McKay clarified that the bids received for the project included Prevailing Wages; Mike Guzinski noted the exceptions to the Prevailing Wage Regulations are (1) Volunteers and (2) Owner Operated Contractors.

Article #13, Henry F. Walling Map Preservation Phase I, in the amount of \$600.00 funded by Historic Resource Funds, is a map of Millis and Medway from the early 1800's. The map was given to the Library and the restoration will stabilize its deterioration. The map will be displayed at the Library.

June 2020 Warrant Articles Review, Discussion and Recommendations:

Mike Guzinski had Town Counsel review the Town Meeting Motions and there aren't any significant changes since the draft version. The Warrant has been reduced to (17) Articles per the recommendation of the Town Moderator. He noted that Article #2, FY20 Additional Wages and Expenses, would transfer funds to balance the current Fiscal Year Budget. The Town Administrator and Finance Director are working to finalize the Interdepartmental Transfers which will be available for the June 24, 2020 Finance Committee Meeting after review and approval by the Select Board. The article is a placeholder in the event of an unexpected cost arising between now and Town Meeting. Jodie Garzon clarified that the Finance Committee's Report would list the committee's recommendation of this article as Recommend at Town Meeting. If there is a sum of money needing appropriation, it will be discussed during Town Meeting and a handout will be available to Town Meeting participants outlining the article. Carol Johnston noted that the DPW Director, Jim McKay, added Reserve Fund line items to the Enterprise Fund Budgets and adjustments were made to the Indirect Costs. Doug Riley inquired if the expenses for each Enterprise Fund include Principal and Interest. Carol Johnston clarified that the expenses include all costs associated with each Enterprise Fund. A document was sent to the committee outlining all the expenses for each Enterprise Fund which included Principal and Interest costs.

CRPCD costs in the Sewer Enterprise Fund is the Charles River Pollution Control District's cost for treatment of the town's wastewater. The report of the DPW's Operations including the Indirect Costs for the Enterprise Funds will be discussed at a future Select Board's Meeting. Mike Guzinski noted that the consultant's will be putting together a new Indirect Costs Model for each Enterprise Fund during the summer and the Select Board will review and implement prior to FY22. Article #7, Consent Article, includes Amendments to the Personnel Plan. The Select Board approved an increase of 2.5% to Salaries and Stipends in the Personnel Plan that are consistent with CBA (Collective Bargaining Agreements) as well as adjustments to meet minimum wage requirements for certain positions. The Building Commissioner has made adjustments to the Inspection Stipends based on a new process for inspections. The updated Personnel Plan will be emailed to the committee and will be included in the Finance Committee's Report. Article #12, Ratify Water Infrastructure Maintenance Contract, authorizes the Select Board to enter into a contract for up to 20 years; the contract is actually a 15-year contract to maintain the town's two water tanks. Article #15, Board of Assessors – FY21 Personal Property Interim Year Inspections, in the amount of \$15,600.00 – the funds are used to hire an outside firm to help with the evaluation process. Mike Guzinski feels at this time Article #17, Unemployment Insurance Fund, in the amount of \$75,000.00 is sufficient. If revenues are less than what is projected, this fund as well as the overall budget will have to be reviewed in the Fall. Jodie Garzon noted that reducing staff impacts the Unemployment Fund. No new information has been received regarding State or Federal Aid. Updates to aid will mostly be released in the latter part of July. The Finance Director has been working on information for the CARES Act which was submitted for review, the deadline was June 5, 2020 for FY20. The Town Administrator and Finance Director are working with State Officials to clarify some aspects of filing the FY21 CARES Act. The Finance Director will send the committee a copy of the CARES submission. The Finance Director is working on COVID-19 related deficit spending which will be replenished with CARES Act funds and not have an impact on Free Cash certification for FY21. The guidance from the Department of Revenue include (2) Special Revenue Accounts: (1) FEMA and (1) CARES Act.

Pete Berube made a motion to recommend Article #1, Unpaid Bills, in the amount of \$1,056.32 of which \$901.70 is transferred from Free Cash and \$154.62 is transferred from Sewer Enterprise Reserves; Doug Riley seconded. Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Pete Berube – aye, Craig Schultze – aye, Cathy MacInnes – aye, Jim Borgman – aye, motion carries unanimously.

Article #2 FY20 Additional Wages and Expenses – a recommendation will be made at Town Meeting.

Article #3 FY21 Operating Budget

Craig Schultze voiced his reluctance in presenting a budget that does not fully fund the Police Department's Salaries which will be partially funded at the November Town Meeting with Marijuana Host Community Agreement Impact Funds.

Craig Schultze made a motion to recommend approval of Article #3, FY21 Operating Budget, in the amount of \$35,183,151.00 from the following revenue sources:

• Taxation:	\$34,081,541.00
• Ambulance Fund:	\$ 286,438.00
• Perpetual Care Interest:	\$ 332.00
• Sale of Cemetery Lots:	\$ 7,070.00
• Cell Tower Revenue:	\$ 54,136.00
• Bond Premium Release:	\$ 139,464.00

and Authorize the following transfers:

• Sewer Fund Indirect Costs to the General Fund:	\$ 213,749.00
• Water Fund Indirect Costs to the General Fund:	\$ 261,248.00
• Stormwater Fund Indirect Costs to the General Fund:	\$ 139,173.00

There is a possibility that adjustments to this article may need to be made however at this time and for the Finance Committee's Report a vote will be taken; if need be, the committee can revote prior to Town Meeting.

Doug Riley seconded. Pete Berube will be voting no on this article based on his inputs over the past month and his expectation that a 5% reduction to State and Local Aid is too low. He feels the committee should have been more proactive and a little less optimistic on Federal and State Aid. There is another option which is to recommend the 1/12th Budget which would use the FY20 levels of funding until more concrete numbers are available. Craig Schultze takes the opposite view; if indeed Chapter 70 Revenue will be level funded, implementing a 5% overall reduction to the Operating Budget including a 10% reduction in Salaries to Town Hall staff is based on speculation and at this time would prefer to be optimistic. Cathy MacInnes agrees with Pete Berube but will vote in favor of the budget presented; ultimately the decision of implementing reductions falls to the Select Board, Town Administrator and Finance Director. If their calculations are incorrect, they will have to make very difficult choices in the Fall.

Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Pete Berube – no, Craig Schultze – aye, Cathy MacInnes – aye, Jim Borgman – no. Mike Guzinski clarified that the motion carries with the majority of members present.

Craig Schultze made a motion to recommend approval of Article #4, Sewer Enterprise Fund, in the amount of \$1,420,245.00 from Sewer Department Receipts; Pete Berube seconded. Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Pete Berube – aye, Craig Schultze – aye, Cathy MacInnes – aye, Jim Borgman – aye, motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #5, Water Enterprise Fund, in the amount of \$1,688,941.00 from Water Department Receipts; Pete Berube seconded. Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Pete Berube – aye, Craig Schultze – aye, Cathy MacInnes – aye, Jim Borgman – aye, motion carries unanimously.

Pete Berube made a motion to recommend approval of Article #6, Stormwater Enterprise Fund, in the amount of \$557,870.00 from Stormwater Department Receipts; Doug Riley seconded. Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Pete Berube – aye, Craig Schultze – aye, Cathy MacInnes – aye, Jim Borgman – aye, motion carries unanimously.

Pete Berube made a motion to recommend approval of Article #7, Consent Article, which includes: Amendments to the Personnel Plan, Board of Health Appointing Authority, FY21 Revolving Funds and Community Preservation Fund Appropriations Craig Schultze seconded. Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Pete Berube – aye, Craig Schultze – aye, Cathy MacInnes – aye, Jim Borgman – aye, motion carries unanimously.

Cathy MacInnes made a motion to recommend approval of Article #8, Independent Annual Audit, by transfer from Free Cash in the amount of \$36,500.00; Craig Schultze seconded. Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Pete Berube – aye, Craig Schultze – aye, Cathy MacInnes – aye, Jim Borgman – aye, motion carries unanimously.

Pete Berube made a motion to recommend approval of Article #9, Capital Items, which includes:

• Committed Bus Leases:	\$ 89,999.00
• Committed Computer Leases:	\$ 46,600.00
• Committee Police Cruiser Leases:	\$ 31,913.00
• Crosswalk Signals (4):	\$ 40,000.00
• Drinking Water Risk/Resilience Assessment:	\$ 40,000.00
• Water Tanks Assessment/Management Program:	\$199,921.00
• Radio Communication System for DPW Vehicles:	<u>\$ 36,667.00</u>
Total:	<u>\$485,100.00</u>

of which \$40,000.00 is raised by Taxation, \$168,512.00 is transferred from Free Cash, \$258,254.00 is transferred from Water Enterprise Funds and \$18,334.00 is transferred from

Sewer Enterprise Funds; Craig Schultze seconded. Pete Berube commented that he is not in favor of funding all of the items on the list at this time. As a member of the Capital Planning Committee he participated in the ranking of the Capital Items and supports the items but given the current financial situation he does not feel the town is in a position to fund all of the items listed. Roll Call Vote: Jodie Garzon – aye, Doug Riley – aye, Craig Schultze – aye, Cathy MacInnes – aye, Jim Borgman – aye, Pete Berube – abstained motion carries.

Craig Schultze made a motion to recommend approval of Article #10, School Department – 3-year New Computer Lease by transfer from Free Cash \$23,300.00; Pete Berube seconded. Pete Berube inquired if computers were included in the CARES Act submission; technology needs are only going to grow in the future as a result of distance learning. A number of computers for Municipal Departments were included to support remote participation and working remotely as well as support remote learning through the School Department's request. Carol Johnston clarified that this article is for the computer lab at the High School and the CARES Act submission would not offset this article's cost. Roll Call Vote: Jodie Garzon – aye, Peter Berube – aye, Craig Schultze – aye, Doug Riley – aye, Jim Borgman – aye, Cathy MacInnes – aye, motion carries unanimously.

Craig Schultze made a motion to recommend approval of Article #11, Reallocation of DPW Capital Project Expenses, by appropriation of \$135,887.97 increasing the budget for the DPW Building Project from \$3,900,000.00 to \$4,035,887.97. The funding is from (3) articles previously approved at Town Meeting for DPW Garage Improvements prior to the decision to completely renovate the building. The funds for those articles were not totally expended. Pete Berube seconded. Roll Call Vote: Jodie Garzon – aye, Peter Berube – aye, Craig Schultze – aye, Doug Riley – aye, Jim Borgman – aye, Cathy MacInnes – aye, motion carries unanimously.

Pete Berube made a motion to recommend approval of Article #12, Ratify Water Infrastructure Maintenance Contract, authorizing the Select Board to enter into a contract for up to 20 years for maintenance of the town's Farm Street and Walnut Street Tanks. Craig Schultze seconded. Roll Call Vote: Jodie Garzon – aye, Peter Berube – aye, Craig Schultze – aye, Doug Riley – aye, Jim Borgman – aye, Cathy MacInnes – aye, motion carries unanimously.

Pete Berube made a motion to recommend approval of Article #13, Preservation and Rehabilitation of the Henry F. Walling Map in the amount of \$600.00 from Community Preservation Historic Resource Reserve Fund. Cathy MacInnes seconded. Roll Call Vote: Jodie Garzon – aye, Peter Berube – aye, Craig Schultze – aye, Doug Riley – aye, Jim Borgman – aye, Cathy MacInnes – aye, motion carries unanimously.

Pete Berube made a motion to recommend approval of Article #14, Memorial Fields Improvements Project in the amount of \$74,558.49 from Community Preservation Fund Open Space Reserve. Doug Riley seconded. Roll Call Vote: Jodie Garzon – aye, Peter Berube – aye, Craig Schultze – aye, Doug Riley – aye, Jim Borgman – aye, Cathy MacInnes – aye, motion carries unanimously.

Pete Berube made a motion to recommend approval of Article #16, Medicare/Medicaid Reimbursement Services, in the amount of \$5,000.00 transferred from Free Cash. Cathy MacInnes seconded. Roll Call Vote: Jodie Garzon – aye, Peter Berube – aye, Craig Schultze – aye, Doug Riley – aye, Jim Borgman – aye, Cathy MacInnes – aye, motion carries unanimously.

Pete Berube made a motion to recommend approval of Article #17, Unemployment Insurance Fund, in amount of \$75,000.00 of which \$13,566.00 is raised by Taxation and \$61,434.00 is transferred from Free Cash. Cathy MacInnes made a motion to recommend approval of Article #15, Board of Assessors – FY21 Personal Property Interim Year Inspections in the amount of \$15,600.00 transferred from Free Cash. Craig Schultze seconded. Roll Call Vote: Jodie Garzon – aye, Peter Berube – aye, Craig Schultze – aye, Doug Riley – aye, Jim Borgman – aye, Cathy MacInnes – aye, motion carries unanimously.

Old Business/New Business:

The committee received a request from the Incoming Town Moderator, Donna Cabibbo, to include a note on procedures for the June 29, 2020 Town Meeting in the Finance Committee's Report. The note urged attendees to wear mask; it is not a requirement. Erin Underhill, Current Town Moderator, clarified that legally you can't make an individual wear a mask for various reasons. There will be a section for individuals unwilling or unable to wear a mask during Town Meeting. A walkthrough was done at the High School Gymnasium and a mock setup will be done on Thursday. The Finance Committee will be seated on the bleachers, the Moderator in the middle and the opposite side bleachers will seat the Town Administrator, Town Counsel, Finance Director, the Select Board and the Town Clerk's Office Staff. Seats distanced by six feet will be for Town Meeting attendees. Masks will be available as well as hand sanitizer. A sanitizer spray will be used on the microphones after each use and disposable gloves will be available as well. A meeting space will be provided for the Finance Committee to meet prior to the start of Town Meeting. The committee will not meet next week, June 17, 2020 but will hosts it's Pre-Town Meeting on June 24, 2020 at 6:00 PM via Zoom.

Meeting Minutes Approval:

Pete Berube made a motion to recommend approval of the May 27, 2020 Finance Committee Meeting Minutes; Craig Schultze seconded. Vote: 6/0 motion carries unanimously.

Pete Berube made a motion to recommend approval of the June 3, 2020 Finance Committee Meeting Minutes; Craig Schultze seconded. Vote: 5/0 1 Abstained motion carries.

Adjourn:

Pete Berube made a motion to adjourn the Finance Committee Meeting at 7:23 PM; Craig Schultze seconded. Vote: 6/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore